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STATE OF ARIZONA

	DEPARTMENT	OF	INSURAN	ICEBY	PARTMENT DE INSURANCE
In the Matter of)		Docket	No.	95A-273-INS
DESERT STAR MARKETI	NG, INC.,))	ORDER		
Responde	nt.)				

On February 8, 1996, the Office of Administrative Hearings, through Administrative Law Judge Lewis D. Kowal, submitted "Recommended Findings of Fact, Conclusions of Law and Recommended Order", a copy of which is attached and incorporated by this reference. The Director of the Arizona Department of Insurance has reviewed these recommendations, and enters the following order:

- 1. The Recommended Findings of Fact and Conclusions of Law are adopted; and
- 2. All licenses held by Desert Star Marketing, Inc. are revoked effective immediately.

NOTIFICATION OF RIGHTS

The aggrieved party may request a rehearing with respect to this Order by filing a written petition with the Office of Administrative Hearings within 30 days of the date of this Order, setting forth the basis for such relief pursuant to A.A.C. R20-6-114(B).

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The final decision of the Director may be appealed to the Superior Court of Maricopa County for judicial review pursuant to A.R.S. §20-166.

DATED this Land of February, 1996.

Director of Insurance

COPY of the foregoing mailed/delivered this 1311 day of February, 1996, to:

Charles R. Cohen, Deputy Director Gregory Y. Harris, Executive Assistant Director John Gagne, Assistant Director Arnold Sniegowski, Investigator Maureen Catalioto, Supervisor Department of Insurance 2910 N. 44th St., Suite 210 Phoenix, Arizona 85018

Desert Star Marketing, Inc. 7501 N. 35th Ave. Phoenix, AZ 85051

Foremost Insurance Company P.O. Box 2450 Grand Rapids, MI 49501-2450

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IN THE OFFICE OF ADMINISTRATIVE HEARINGS

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DESERT STAR MARKETING, INC.,

Respondent

No. 95A-273-INS

PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW AND RECOMMENDED ORDER

On December 28, 1995, the Director issued a Notice of Hearing (the "Notice") in the above-captioned matter.

The Notice required Desert Star Marketing, Inc. ("Desert Star") to provide a written answer to the allegations set forth in the Notice within twenty days of the issuance of the Notice. As of this date, Desert Star has failed to file an answer. On January 26, 1996, counsel for the Department filed a Request for Default, Form of Order and Notice of Filing Form of Order. As of this date, Desert Star has not responded to the Department's request. Pursuant to A.A.C. R20-6-106(C), a party that fails to file an answer within the time provided shall be deemed to be in default and one or more of the allegations in the Notice of Hearing may be deemed to be admitted.

FINDINGS OF FACT

- 1. Notice was proper.
- 2. Desert Star is in default.
- 3. The allegations in the Notice are deemed admitted.

CONCLUSIONS OF LAW

- The conduct alleged in the Notice constitutes grounds for the Director 1. to suspend, revoke or refuse to renew the licenses to transact insurance in Arizona, within the meaning of A.R.S. §20-316(A).
- The conduct alleged in the Notice constitutes grounds for the Director 2. to impose a civil penalty pursuant to A.R.S. §20-316(C).

RECOMMENDED ORDER

Based on the above, the undersigned Administrative Law Judge recommends that:

All insurance licenses held by Desert Star Marketing, Inc. are revoked 1. effective upon the issuance of the Director's Order.

> Office of Administrative Hearings 1700 West Washington, Suite 244 Phoenix, Arizona 85007 (602)-542-9826

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 No civil penalty be imposed.
 DATED this १ t√√ day of February, 1996.

LEWIS D. KOWAL

Administrative Law Judge

COPY of the foregoing mailed/delivered this 8th day of February, 1996, to:

Chris Herstam, Director
Arizona Department of Insurance
2910 North 44th Street, Suite 210
Phoenix, AZ 85018

Chris Crawford